POSSIBLE LEGISLATION FOR THE HEALTH SYSTEM REFORM TASK FORCE

HEALTH REFORM - INSURANCE MARKET CHOICES

I. Preserve the current small employer group market and individual market. Create a new voluntary market that will exist in conjunction with the existing markets to test the viability of insurance reform measures.

- Use the state's internet portal to facilitate and monitor the development of a new market for health insurance in the state and determine if the new market addresses the issue of cost, promotes the availability of affordable health insurance coverage, increases the number of insured individuals in the state, increases transparency of the health care system, and encourages innovation of the methods of paying for and receiving health care in the state. This new market will feature voluntary participation by insurers and insured individuals. It can function as a pilot program to test the new market's viability.

II. Within the new market, remove barriers to affordable products.

- Allow the creation and offer of virtually mandate free health insurance products.
- Establish a lower cost alternative for COBRA, conversion policies, and the basic health care plan.

III. Within the new market, increase access to affordable products.

- Create the foundation for a defined contribution option in the market, which includes:
  - Give employers and employees flexibility to use pre-tax dollars to pay for a health plan if an employer sets up a Section 125 cafeteria plan for the employee.
  - Allow employees the flexibility to choose a health care plan that best fits the needs of the employee's family.
  - Give an employee the ability to aggregate contributions from the employers of other family members or from government assistance programs so that a family can be covered by a single policy rather than multiple policies sponsored by employers of various family members.
- Create an insurance risk rating system that promotes affordable products for the greatest number of people. This could be the current rate banding system or another form of modified community rating.
- Allow an employer to automatically enroll an employee in a plan unless the employee affirmatively opts out of coverage.
- Expand access to the small group market to an individual who is a self-employed sole proprietor by decreasing the minimum small group size from 2 to 1, but limit the expansion by requiring the individual to meet a certain threshold such as the individual's income from a bona fide business, as reported on the Schedule C, must be at least 50% of family income for the year.

- As an incentive for insurers to offer a wide variety of products in the new market and to create a robust market the legislation could:
  - Provide that an insurer may only offer the new mandate lite products in the portal market; and
  - Facilitate the enrollment of an adequate number of lives to support products in the new market (as examples this could include opening the market to ERISA plans, or opening the market to lives insured through state funding).
- Provide protections in the new market against adverse selection by implementing a risk adjuster or reinsurance program for products offered in the new market. Provide a private sector, broad based mechanism to fund the risk adjustment.

IV. Increase transparency for all products

- Require broker disclosure of compensation.
- Authorize uniform standards for the electronic exchange of health plan information between consumers and insurers and between providers and insurers (similar to the uniform standards in place for uniform claims submission and electronic exchange of clinical health records).

HEALTH SYSTEM REFORM - MARKET PLACE INNOVATION

I. Administrative Simplification Initiatives

- Reduce administrative costs associated with billing practices and insurer claims payment and adjudication practices. This could include:
  - uniform standards for insurance enrollment cards with card swipe technology;
  - standardized claims adjudication and more meaningful pre-authorization;
  - insurer disclosure of claims "edits" to providers;
  - standard rules for coordination of benefits;
  - limits on the period of time in which an insurer can require a refund from providers; and
  - more meaningful hospital billing statements.

II. Payment Reform Initiatives

- Facilitate episodes of care payment demonstration projects and Medical Homes demonstration projects. Facilitate the new payment and delivery methodologies with a consortium of stakeholders such as HealthInsights, the Utah Partnership for Value Driven Health Care and the Utah Health Data Authority to meet with stakeholders to establish market wide consensus of best practices and episodes of care reimbursement models.

HEALTH SYSTEM REFORM - STATE CONTRACTING PRACTICES

This legislation amends the contracting authority of The Department of Environmental Quality, The Capitol Preservation Board, the Department of Natural Resources, the Division of Construction and Facilities Management, and the Utah Department of Transportation to require contractors with the state to provide health insurance to the contractor's employees if the amount of the contract is over $500,000 and if the contract is for design or construction.

HEALTH SYSTEM REFORM - MEDICAL MALPRACTICE AMENDMENTS

- This legislation will:
  (1) Amend the standard of proof a plaintiff must meet when bringing an action against a provider who gives care in an emergency room under EMTALA;
  (2) Facilitate the convening of stakeholders for the development of best practice guidelines and explore the possibility of linking the use of best practices with malpractice protections;
  (3) Pursue other reforms that will promote appropriate medical care and prevent utilization based on defensive medicine.